

Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Legislative Analysis

**Internal Management and Fiscal
Responsibility Committee**

Thursday, January 13, 2005
2:00 PM
Commission Chamber

Charles Anderson, CPA
Commission Auditor

111 NW First Street, Suite 250
Miami, Florida 33128
305-375-4354

**Miami-Dade County Board of County Commissioners
Office of the Commission Auditor
Legislative Analysis**

A written analysis for the below item(s) are attached for your consideration. If you require further analysis of these or any other agenda items, please contact Gary Collins, Acting Chief Legislative Analyst, at (305) 375-1826.

Item 2(C)

RESOLUTION REQUIRING MEMBERS OF ALL COUNTY BOARDS TO COMPLETE ETHICS TRAINING COURSE

Item 3(A) and 3(H)

RESOLUTION AUTHORIZING ISSUANCE OF \$75,000,000 SOLID WASTE SYSTEM REVENUE BONDS

ORDINANCE AUTHROZING ISSUANCE OF SOLID WASTE SYSTEM REVENUE BONDS

Item 3(E)

RECOMMENDATION FOR APPROVAL TO ADVERTISE RFP NO. 471 FOR A SELF-FUNDED HEALTH MAINTENANCE ORGANIZATION (HMO) PLAN

Item 3(I)

RESOLUTION APPROVING AN AMENDMENT TO THE PEOPLES TRANSPORTATION PLAN TO INCLUDE THE USE OF CHARTER COUNTY TRANSIT SYSTEM SURTAX FUNDS FOR EXISTING MIAMI-DADE TRANSIT SERVICE FOR AN INTERGRATED SYSTEM

Acknowledgements:

Report prepared by Tracie Auguste, Senior Legislative Analyst
Bia Marsellos, Legislative Analyst
Jason Smith, Legislative Analyst

LEGISLATIVE ANALYSIS

RESOLUTION REQUIRING MEMBERS OF ALL COUNTY BOARDS TO COMPLETE ETHICS TRAINING COURSE.

Senator Javier D. Souto

I. SUMMARY

This requires all current and future members of all County boards to complete an ethics training course including the Conflict of Interest and Code of Ethics Ordinance, the Sunshine Law and the Public Records Law. The Commission on Ethics and Public Trust ("COE") would develop the training and generate a quarterly report listing the names of all board members who have not completed the ethics training course.

II. PRESENT SITUATION

Currently, the COE provides ethics training for municipalities, advisory boards and community councils. However, it is not mandatory for current or future members of County boards to attend said ethics training.

There are eighteen (18) boards that are currently exempt from the ethics training, pursuant to Resolution R-340-03 adopted on April 8, 2003. (See attached.)

III. POLICY IMPLICATIONS

This resolution would make it mandatory for all current and future board members to complete the ethics training course.

IV. ECONOMIC IMPACT

The COE currently provides ethics training; therefore the training would be provided at no additional cost to the boards.

V. COMMENTS

The Employee Relations Department currently provides a "New Employee Orientation" which includes an ethics portion for all new County employees, and an "Ethics Training Program." However, the employee training is different from the training provided by the COE.

VI. QUESTIONS

- Does this resolution affect the boards that are currently exempt?

IM&FR ITEM 2(C)

January 13, 2005

The following County boards are **currently** exempt from the application of the Miami-Dade County Conflict of Interest and Code of Ethics Ordinance:

1. Affirmative Action Advisory Board
2. Aircraft Noise Abatement Task Force for MIA
3. Asian American Advisory Board
4. Bicycle/Pedestrian Advisory Committee
5. Black Affairs Advisory Board
6. Commission on Disability Issues
7. Commission for Women
8. Community Image Advisory Board
9. Community Relations Board Nominating Committee
10. Community Small Enterprise Program
11. Dial-A-Life Program Advisory and Oversight Board
12. Domestic Violence Oversight Board
13. Equestrian Center Advisory Board
14. Hispanic Affairs Advisory Board
15. Minority and Women-Owned Business Advisory Board
16. Parks and Recreation Citizens Advisory Committee
17. Racial Profiling Advisory Board
18. Transportation Aesthetics Review Committee

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

ITEM 3A

RESOLUTION AUTHORIZING ISSUANCE OF \$75,000,000 SOLID WASTE SYSTEM REVENUE BONDS

ITEM 3H

ORDINANCE AUTHORIZING ISSUANCE OF SOLID WASTE SYSTEM REVENUE BONDS

Finance Department

I. SUMMARY

Item 3(A)

This resolution authorizes issuance of *Solid Waste System Revenue Bonds, Series 2005* (the "Bonds") not to exceed \$75,000,000 for the purposes of:

- (1) paying all or part of the costs of certain solid waste disposal projects (see attached for projects and estimated allocations);
- (2) funding a reserve fund account; and
- (3) paying the costs of issuance of the Bonds.

This resolution also delegates to the appropriate County officials and the Finance Director the authority to perform all necessary actions in connection with this issuance, including the determination of various terms of the Bonds within the limitations in this resolution, in consultation with the County's Financial Advisor (PFM Dade Advisors LLC) and Bond Counsel (Greenberg Traurig, PA and Edwards & Carstarpehn) for this bond issue.

Item 3(D)

This ordinance authorizes the issuance of *Solid Waste System Revenue Bonds, Series 2005* as described above. The Bonds are expected to be issued in April 2005.

II. PRESENT SITUATION

The costs of certain projects included in the Solid Waste Department's comprehensive landfill closure plan (presented to the Board in February 2004) are pending financing through this bond issue.

Based on the timing of this Bond issue and the anticipated changes in the current and near future municipal bond market, the County's Financial Advisor recommended that a negotiated sale, rather than a competitive bid, be utilized for this bond issue. In a negotiated sale, the County deals with one group of Underwriters led by a Senior Underwriter (all Underwriters are chosen from the County's Municipal Underwriting Pool) who will market (i.e. sell) the bonds to buyers, then negotiate fees and the price of bonds with the County before the bonds are issued.

January 13, 2005

III. POLICY IMPLICATIONS

None.

IV. ECONOMIC IMPACT

The Bonds are anticipated to be issued as fixed rate bonds (with a true interest cost no more than 6.25%) in an amount not to exceed \$75,000,000 with maturity dates not to exceed 40 years. The Bonds are limited obligations that will be secured by a pledge of Net Operating Revenues of the Solid Waste Department (SWD)¹ and deposits in the Reserve Account, if any.

V. COMMENTS AND QUESTIONS

There will be no impact on the debt millage because these bonds are not backed by property taxes.

¹ Net Operating Revenues refers to operating income of the SWD less current expenses for the operation, maintenance and ordinary current repairs to the Solid Waste System.

IMFRC ITEM 3(A) and 3(H)
January 13, 2005

**All Projects to be Funded (or Partially Funded) with
Solid Waste Revenue Bonds, Series 2005 and Future Series**

		PV (in millions \$)	PV & FV (in millions \$)	Value Year	Projected Issuance Series	Total
Munisport		\$ 31.027	\$ 31.027	2005 dollars	Series 2005	
Virginia Key	grant	\$ 0.650	\$ 0.650	2005 dollars	Series 2005	
	closure Phase 1	\$ 27.635	\$ 27.635	2005 dollars	Series 2005	
	closure Phase 2	\$ 17.365	\$ 17.365	2005 dollars*	Series 2008	
Homestead		\$ 7.500	\$ 7.500	2005 dollars	Series 2005	
Miami Dade County						
	North Miami Dade Groundwater Remediation	\$ 1.480	\$ 1.480	2005 dollars	Series 2005	
	South Miami Dade Cell 3 Closure	\$ 6.708	\$ 6.708	2005 dollars	Series 2005	
	North Miami Dade East Cell	\$ 16.200	\$ 19.924	2012 dollars	Series 2012	
	North Miami Dade Phase 2 Gas Extraction	\$ 1.170	\$ 1.356	2010 dollars	Series 2008	
	Resources Recovery Cell 19 Closure	\$ 2.160	\$ 2.657	2012 dollars	Series 2012	
	Resources Recovery Cell 20 Construction	\$ 3.100	\$ 3.813	2012 dollars	Series 2012	
	South Miami Dade Cell 4 Closure	\$ 10.500	\$ 13.301	2013 dollars	Series 2012	
	South Miami Dade Cell 5 Closure**	\$ 10.500	\$ 14.970	2017 dollars	Series 2017	
Total		\$ 135.995	\$ 148.386		\$ 75.000 \$ 18.721 \$ 39.694 \$ 14.970	\$ 148.39
				say,	\$ 75.00 \$ 20.00 \$ 40.00	\$ 150.00

* correlates with a ceiling of \$45 million in 2005 dollars

** with passage of GOB on Nov 2; project changed to closure (formerly construction)

PV = Present Value

FV = Future Value

LEGISLATIVE ANALYSIS

RECOMMENDATION FOR APPROVAL TO ADVERTISE RFP NO. 471 FOR A SELF-FUNDED HEALTH MAINTENANCE ORGANIZATION (HMO) PLAN

Procurement Management Department

I. SUMMARY

- Approval to advertise RFP No. 471 *Self-funded Health Maintenance Organization (HMO) Plan*.
 - Intent is to consolidate the County's four fully-insured plans¹ into one self-insured HMO with two plan designs: high option (similar to current HMO plan design) and low option (lower cost).
- The HMO would administer the plan, similar as is currently; however, besides an administrative fee and stop loss insurance coverage, the County would only pay for actual claims.
- This solicitation would allow the County to better assess the savings possible under a self-insured arrangement. The County would still have the option to remain with its current fully-insured plans.

II. PRESENT SITUATION

- The current HMO programs are fully-insured, in which premiums are determined and collected in advance. The insurance carrier assumes all financial risk, but keeps all premiums that are in excess of actual claims paid. In contrast, self-insuring means that the County assumes most financial risk since claims costs are paid as they are actually incurred, not as they are projected. However, in "good years", the County would retain all unspent premiums.
- In recent years, staff has recommended self-insuring its HMO programs to manage costs better and keep premiums affordable, with no impact on service quality. The County currently self-insures its Point of Service program (since 1995) and has self-insured other health programs prior to that.
- In 2004, the County's benefits consultant, Deloitte & Touche evaluated the County's insurance programs at that time and concluded that if that HMO program had been self-insured for 2004, dependent premiums would have been approx. 13% lower.
- See attached for Bi-weekly Medical Rates History (1992-2005) by plan, previously provided by staff and updated to include 2005.

¹ AvMed, Humana, Jackson Memorial Hospital and Vista

III. POLICY IMPLICATIONS

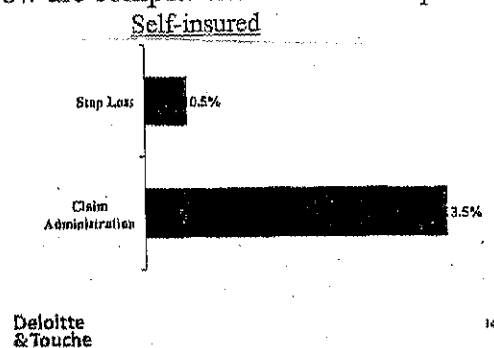
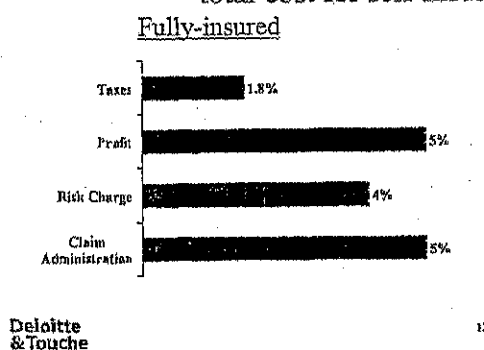
- This RFP would not obligate the County to pursue a self-insured arrangement. The County has the right to reject all proposals if it decides not to pursue a self-insured arrangement.
- The RFP seeks to consolidate, to the extent possible, the HMO offerings from the four existing plans into one plan with two plan options. Over 70% of County employees are currently enrolled in an HMO plan.
 - Selecting only one HMO would limit the number of health providers in network. (Note: Staff indicates that there is a great deal of overlap between plan networks and does not expect availability to be an issue.)
- Evaluation of proposals will emphasize technical criteria, rather than price. Scoring is based on point totals as follows:

<u>Criteria</u>	<u>Points</u>
Proposer's Experience and Qualifications	150
Scope and Quality of Services Offered	300
Provider Reimbursement and Projected Claims Cost	300
Plan Design and Prescription Drug Benefits	150
Price (maximum)	100

- Other ways to alleviate premium increases in the future would mean any or all of the following: reducing benefits (increasing co-payments), increasing employee payroll deductions, or contracting with lower cost vendors.

IV. ECONOMIC IMPACT

- Under the existing fully-insured arrangement and the current health insurance market, projected premium increases range in the double digits *per year*, due to various factors that are largely not under the County's control (inflation, large claims, medical malpractice, etc.). Savings to the County associated with not paying additional charges (see below), keeping collected premiums not used for claims, consolidating risks, etc. makes more favorable premiums possible.
- Non-claims expense for fully-insured plans is 15-17% of total cost versus 4-5% of total cost for self-insured plans. Below are components of "Other Expenses".²



² From a report for Board of County Commissioners Health Insurance Workshop on July 28, 2004.

V. COMMENTS

- The main drawback to self-insuring is that the County assumes more financial risk, i.e. the County sets the amount of funds available for payment of claims and reserves. However, this risk is mitigated by availability of historical trends and stop-loss insurance (insurance carrier would assume all claim costs in excess of a certain percentage of expected claim costs, e.g. 120%).
- Pursuant to the RFP, the County would also consider both a traditional gatekeeper model and an open-access model for the two HMO plan options.
 - Gatekeeper is your primary care physician. When you need a specialist, you must get a referral from your primary care physician.
 - In an open access model, you may see a specialist without getting a referral from your primary care physician. You are limited to physicians that are part of the network.
- A recommendation for award is anticipated by July 2005 so that the new plan would be effective January 1, 2006.

Bi-Weekly Medical Rates History (1992 - 2005)

AvMed Health Plan

Tier Level	1992		1993		1994		1995		1996		1997	
	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change
Single	0.00	N/A	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
EE + 1 Dep.	73.45	N/A	88.99	21.16%	88.99	0.00%	59.69	-32.93%	59.69	0.00%	59.69	0.00%
EE + 2 or More Dep.	103.10	N/A	118.68	15.11%	118.68	0.00%	81.01	-31.74%	81.01	0.00%	81.01	0.00%
County Portion	95.08	N/A	95.08	0.00%	95.08	0.00%	85.27	-10.32%	84.35	-1.08%	84.35	0.00%

Tier Level	1998		1999		2000		2001		2002		2003	
	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change
Single	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
EE + 1 Dep.	59.69	0.00%	62.67	4.99%	70.88	13.10%	81.28	14.67%	92.66	14.00%	123.05	32.80%
EE + 2 or More Dep.	81.01	0.00%	85.05	4.99%	96.18	13.09%	110.28	14.66%	125.73	14.01%	166.90	32.74%
County Portion	84.35	0.00%	88.57	5.00%	100.06	12.97%	114.72	14.65%	130.81	14.03%	173.36	32.53%

Tier Level	2004		2005									
	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change
Single	0.00	-	0.00	-								
EE + 1 Dep.	137.81	12.00%	137.81	-								
EE + 2 or More Dep.	186.93	12.00%	186.93	-								
County Portion	194.16	12.00%										

Note: % Change is the percentage increase or decrease in premiums from the previous plan year.

Bi-Weekly Medical Rates History (1992 - 2005)

Point of Service (POS) Plan

Tier Level	Metropolitan(PPO)		Metropolitan(PPO)		Metropolitan(PPO)		BCBS		BCBS		BCBS	
	1992		1993		1994		1995		1996		1997	
	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change
Single	0.72	N/A	0.72	0.00%	0.72	0.00%	0.00	-100.00%	4.14	-	3.22	-22.22%
EE + 1 Dep.	74.26	N/A	92.83	25.01%	106.65	14.89%	100.80	-5.49%	104.94	4.11%	97.64	-6.96%
EE + 2 or More Dep.	102.51	N/A	124.51	21.46%	143.08	14.91%	131.63	-8.00%	135.77	3.15%	134.85	-0.68%
County Portion	164.32	N/A	164.32	0.00%	167.31	1.82%	138.12	-17.45%	133.98	-3.00%	104.07	-22.32%

Tier Level	BCBS		BCBS		BCBS		BCBS		BCBS		CIGNA	
	1998		1999		2000		2001		2002		2003	
	Prem.	% Change	Prem.	% Change	Prem.	% Change	Prem.	% Change	Prem.	% Change	Prem.	% Change
Single	3.33	3.42%	3.57	7.21%	3.77	5.60%	4.24	12.47%	5.17	21.93%	5.38	4.06%
EE + 1 Dep.	100.92	3.36%	108.33	7.34%	114.34	5.55%	128.54	12.42%	156.70	21.91%	163.06	4.06%
EE + 2 or More Dep.	139.40	3.37%	149.58	7.30%	157.81	5.50%	177.38	12.40%	216.22	21.90%	224.44	3.80%
County Portion	107.57	3.36%	115.48	7.35%	121.89	5.55%	137.03	12.42%	167.04	21.90%	173.82	4.06%

Tier Level	CIGNA		CIGNA		CIGNA		CIGNA		CIGNA		CIGNA	
	2004		2005		2006		2007		2008		2009	
	Prem.	% Change	Prem.	% Change	Prem.	% Change	Prem.	% Change	Prem.	% Change	Prem.	% Change
Single	7.52	39.78%	8.98	19.41%								
EE + 1 Dep.	227.73	39.66%	272.11	19.48%								
EE + 2 or More Dep.	313.46	39.66%	374.54	19.48%								
County Portion	242.76	39.66%										

Note1: % Change is the percentage increase or decrease in premiums from the previous plan year.

Note2: Metropolitan health plan ended in 1994; Blue Cross Blue Shield began in 1995.

Note3: CIGNA replaced BCBS in 2003 as POS plan.

Bi-Weekly Medical Rates History (1992 - 2005)

Humana Health Plan

Tier Level	2000		2001		2002		2003		2004		2005	
	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change		
Single	0.00	N/A	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
EE + 1 Dep.	86.87	N/A	97.30	12.01%	88.50	-9.04%	105.31	18.99%	128.53	22.05%	142.98	26.80%
EE + 2 or More Dep.	156.70	N/A	175.51	12.00%	119.66	-31.82%	142.40	19.00%	173.80	22.05%	220.39	26.19%
County Portion	86.88	N/A	97.30	11.99%	124.65	28.11%	148.34	19.01%	181.05	22.05%		

Note: % Change is the percentage increase or decrease in premiums from the previous plan year.

Bi-Weekly Medical Rates History (1992 - 2005)

JMH Health Plan

Tier Level	1992		1993		1994		1995		1996		1997	
	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change
Single	0.00	N/A	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
EE + 1 Dep.	44.76	N/A	65.00	45.22%	65.00	0.00%	63.29	-2.63%	64.69	2.21%	64.69	0.00%
EE + 2 or More Dep.	77.36	N/A	88.50	14.40%	88.50	0.00%	85.39	-3.51%	86.55	1.36%	86.55	0.00%
County Portion	104.11	N/A	110.00	5.66%	110.00	0.00%	96.92	-11.89%	87.42	-9.80%	87.42	0.00%

Tier Level	1998		1999		2000		2001		2002		2003	
	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change
Single	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
EE + 1 Dep.	64.69	0.00%	62.21	-3.83%	69.42	11.59%	74.70	7.61%	93.47	25.13%	110.94	18.69%
EE + 2 or More Dep.	86.55	0.00%	84.48	-2.39%	101.07	19.64%	108.76	7.61%	126.83	16.61%	150.52	18.68%
County Portion	87.42	0.00%	88.55	1.29%	103.44	16.82%	111.30	7.60%	131.93	18.54%	156.57	18.68%

Tier Level	2004		2005	
	Prem.	%Change	Prem.	%Change
Single	0.00	-	0.00	-
EE + 1 Dep.	122.62	10.53%	151.17	23.28%
EE + 2 or More Dep.	166.38	10.54%	205.11	23.21%
County Portion	173.06	10.53%		

Note: % Change is the percentage increase or decrease in premiums from the previous plan year.

Bi-Weekly Medical Rates History (1992 - 2005)

Vista Health Plan

Tier Level	2000		2001		2002		2003		2004		2005	
	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change	Prem.	%Change
Single	0.00	N/A	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-
EE + 1 Dep.	75.09	N/A	86.34	14.98%	92.05	6.61%	102.71	11.58%	117.66	14.56%	132.89	12.94%
EE + 2 or More Dep.	139.16	N/A	160.03	15.00%	124.46	-22.23%	138.87	11.58%	159.08	14.55%	179.66	12.93%
County Portion	100.12	N/A	115.14	15.00%	129.65	12.60%	144.66	11.58%	165.72	14.56%		

Note: % Change is the percentage increase or decrease in premiums from the previous plan year.

LEGISLATIVE ANALYSIS

RESOLUTION APPROVING AN AMENDMENT TO THE PEOPLES TRANSPORTATION PLAN TO INCLUDE THE USE OF CHARTER COUNTY TRANSIT SYSTEM SURTAX FUNDS FOR EXISTING MIAMI-DADE TRANSIT SERVICE FOR AN INTERGRADED SYSTEM

County Manager

I. SUMMARY

This item proposes an amendment to the Peoples Transportation Plan (PTP), allowing that revenues derived from the Charter County Transit Surtax (Surtax) may be utilized on projects and programs that were a part of the Countywide Transportation System as it existed prior to the passage of the Surtax.

The Manager feels these amendments are necessary in order to move forward with the plan in an expeditious manner.

Further, the report contains an attached "White Paper", developed by the Manager along with Surface Transportation Manager Carlos Bonzon. The White Paper details the need for PTP funds to be combined with all other revenue sources utilized by Miami-Dade Transit (MDT) in order to move the new projects forward while also maintaining a better level of service for programs that existed prior to the passage of the PTP and associated Surtax.

II. PRESENT SITUATION

On November 5, 2002 the voters of Miami-Dade County approved a .5 cent "Surtax" for transportation improvements in Miami-Dade County. This Surtax was anticipated to generate upwards of \$150 million to be utilized for these improvements. Leading up to the referendum, employees of Miami-Dade County along with community leaders and citizens held a series of workshops to develop a plan that would meet the needs of the County. From these community meetings, the Peoples Transportation Plan was developed.

Subsequent to these community meetings, and prior to the referendum, the Board of County Commissioners (BCC) approved the PTP as the outline to follow in order to best utilize the monies derived from the proposed Surtax. This plan specified that all monies generated from this Transportation Surtax shall be held in an account separate from all other revenues utilized by the user Departments, to be used for transportation improvements contained in a long term plan developed in conjunction with Metropolitan Planning Organization (MPO).

Through a number of Agenda Items brought before the BCC since the passage of the Surtax, the issue has been raised as to whether Surtax monies should be used for solely

IM&FR ITEM 3(I)

January 13, 2005

for the expansion projects related to the countywide transit and transportation infrastructure, or whether these funds could or should be utilized to subsidize programs that were in existence prior to the creation of the Surtax. The Commission has voted on at least two (2) occasions (Misc. Capital Improvements in October of 2003 and STS improvements in November of 2004) to utilize Surtax funds on pre-existing programs.

Some members of the community, as well as local media, have expressed that using the Surtax monies for existing programs and deficits was not how the PTP was sold to the citizens of Miami-Dade County. However, the County Manager and MDT contend that the existing transit infrastructure needed to be properly maintained with a series of "one time fixes" prior to expansion of the entire system.

The BCC also approved the creation of the Citizens Independent Transportation Trust (CITT) to oversee the expenditure of surtax funds. Any amendments to the original PTP would need to be approved by the CITT prior final approval by the BCC. If the CITT does not approve any amendment, the BCC could override the CITT decision with a 2/3 vote.

III. POLICY CHANGE AND IMPLICATION

This report recommends amendments to the PTP that would further allow that Surtax monies be utilized to subsidize the system as it existed prior to the passage of the PTP.

The White Paper associated with this report maintains that Surtax monies must be utilized in conjunction with all other monies in order to improve the existing infrastructure as well as expand the transportation system as a whole.

These proposed amendments were approved by the CITT Budget & Finance Committee on December 17, 2004.

There may be some public outcry with regards to how the PTP was presented to the citizens of Miami-Dade County prior to the vote on November 5, 2002.

IV. ECONOMIC IMPACT

One specific impact recommended in this report is \$23.9 million in Surtax funds to be used to cover a FY 2001-2002 deficit on existing services. **This shortfall was prior to the passage of the PTP.**

Any monies utilized for existing programs or any expanded programs that were not explicitly contained in the original PTP and associated pro-forma, will necessitate an amendment to the plan to be presented to the BCC. The Board must consider that funds spent on unanticipated shortfalls to current programs, or unanticipated costs to the expansion of the Rail System, will have a direct negative effect on the County's ability to provide what was presented to the community prior to, and on, November 5, 2002.

IM&FR ITEM 3(I)

January 13, 2005

Further this report recommend that the General Fund Subsidy allocated to MDT, know as the Maintenance of Effort (MOE) increase by 3.5 percent annually to cover the rising costs of existing programs. This increase would begin after a \$2 million baseline increase is added to the MOE subsidy for FY 2004-05. **However, this increase is not reflected in the pro-forma provided to you today as an attachment to this item. (SEE Attach. A pg1, line 3 under revenues)**

V. COMMENTS AND QUESTIONS

Attachment A, handwritten pg. 19, contains a list of Rail Improvement Costs. These figures do not seem consistent with previous cost assumptions that have been presented to this Board.

On the same page (Attach. A pg. 2) there are also projections related to "Fare Box Recovery" rations. These assumptions also do not seem consistent with the reality of current ridership.

Further, the current pro-forma relies on a 50% Federal and 25% State funding agreement on all major corridor projects.

Attachment 1 details the Capital Improvement projects approved to be funded by the Surtax on October 7, 2003.

Attachment 1

Projects to be funded by the PTP
(in thousands)

Mover Veh. Rehab	15,400
Bus Washers & Vac. Repl	4,619
TestTrack for Metrorail	4,000
Station Refurbishments	12,000
Paint Facilities	4,051
Replace Escalators	4,686
Replace Elevators	2,930
Guideway Painting	5,500
Replac Hydraulic Lift	2,600
Replace Piston lift	1,000
Metrorail Piers Coating	5,000
Metrorail Piers Grounding	250
Bus Preventive Maintenance	2,164
Replacement of Accoustical Barrier	2,500
Replace Rail Vehicle Wash	1,000
Rail F & G Inspections	2,700
Facilities Roof Proj.	6,484
Fare Collection Replac	50,000
Upgrade Illumination	2,962
Rail Midlife Rehab.	188,830
Enhancements	14,514
Additional Pedestrian overpass (4)	10,000
Additional Metrorail Crossovers	10,000
Additional Bus Garage	44,000
Total	397,220